# NOVA SCOTIA
# HOUSING DEVELOPMENT CORPORATION

## BUSINESS PLAN
## 2010-2011

# TABLE OF CONTENTS


MESSAGE FROM THE NOVA SCOTIA HOUSING DEVELOPMENT CORPORATION ..... 1

1.0 MISSION/ MANDATE ..... 2

2.0 STRATEGIC GOALS ..... 2

3.0 CORE BUSINESSES AREAS ..... 2

4.0 PRIORITIES ..... 3

5.0 PERFORMANCE MEASURE ..... 4

6.0 BUDGET ..... 6

# MESSAGE FROM THE NOVA SCOTIA HOUSING DEVELOPMENT CORPORATION

On behalf of the Nova Scotia Housing Development Corporation, we are pleased to present the corporation's 2010-2011 Business Plan.

2010-2011 marks the second year of the Nova Scotia/Canada funding, an investment of $127 million in housing infrastructure. During 2009-2010, the Corporation has made a successful start on rejuvenating and greening Nova Scotia's public housing stock, creating additional housing for seniors, persons with disabilities, and affordable housing options for low-income Nova Scotians, as well as enabling government to continue with the Residential Rehabilitation Assistance Program. 2010-2011 will see most of that program completed with finalization slated for early 2011-2012.

In 2010-2011, the corporation, through its mortgage lending program, will continue to support the Department of Health in the development of new long term beds and enable more child care organizations to improve their facilities and create additional child care spaces through the provision of forgivable and repayable loans.

This year, we will also continue to strengthen accountability and make our business processes more efficient. This will be achieved through the completion and implementation of a new system and processes under the Housing Administration Project. This new system will allow us to provide our clients with far better and more responsive solutions to their needs.

We look forward to continuing our work with the Corporation, its many stakeholders, partners and organizations as we help provide Nova Scotians with safe, comfortable homes.

Denise Peterson-Rafuse
Minister, Department of Community Services

Judith F. Ferguson
Deputy Minister, Department of Community Services

# 1.0 MISSION/MANDATE

The Nova Scotia Housing Development Corporation, created in 1986, provides financing for government's social and supported housing programs. It is responsible for holding the province's social housing assets and consolidating the revenues and expenditures associated with operating these assets.

Created by the *Nova Scotia Housing Development Corporation Act*, the corporation's activities include:

- the acquisition and disposal of real estate
- negotiating agreements
- borrowing and investing funds
- lending money and guaranteeing payments
- mortgaging property.

The staff of the Department of Community Services carry out the management and administration functions of the corporation, but are not direct employees.

# 2.0 STRATEGIC GOAL

The goal of the Nova Scotia Housing Development Corporation is to ensure a range of financial tools are available to support government's housing objectives.

# 3.0 CORE BUSINESS AREAS

The corporation's core business functions are:

- hold and finance provincially owned social housing assets in support of government's housing programs
- secure and manage funding to support social housing
- provide mortgage guarantees and/or loans to qualifying housing projects
- manage the funded reserves associated with provincial housing programs to protect the province from loss.

# 4.0 PRIORITIES

The following priorities for 2010-2011 are in addition to the many ongoing activities that Community Services' staff carry out on behalf of the corporation.

**Priority: Investing in Housing Infrastructure**

The corporation, on behalf of the Province, negotiated early in 2009 with Canada Mortgage and Housing Corporation to secure funding to support the Province's housing objectives. When combined with provincial funds this will result in a total funding envelope of $127[1] million, the most significant investment in housing in decades.

2010-2011 marks the second year of this initiative which will conclude early in the 2011-2012 fiscal year. These funds have been and will continue to be used to rejuvenate and green Nova Scotia's public housing stock, create additional housing for seniors, persons with disabilities, and affordable housing options for low-income Nova Scotians, as well as enable government to continue with the Residential Rehabilitation Assistance Program.

**Priority: Funding Support for Government's Public Policy Agenda**

The corporation, on behalf of the Province, works to ensure that there are a range of capital financing tools to support government's public policy agenda.

In 2010-2011 the corporation will:

- continue to facilitate the creation of mortgage instruments to enable the Department of Health to proceed in a timely and fiscally sustainable manner with its Long Term Care Renewal Initiative; and provide mortgage funds to the owners of nursing homes to finance new beds.
- make loans available to the commercial child care sector for infrastructure improvements enabling these centres to increase capacity and improve the quality of their physical plant; and
- make loans available to finance new and replacement facilities in the Services for Persons with Disabilities program

[1] In the 2009-2010 Business Plan referenced total funding of $133M; this included $127 million plus $6 million for a previously planned project.

**Priority: Implement New Technology System for the Housing Administration Project**[2]

The information technology system currently used in support of both the loans portfolio and housing grant programs is old and is being replaced. This system currently tracks in excess of $400M in mortgages, loans, forgivable loans and grants for social housing programs, long term care facilities, disabled persons facilities, Canada Mortgage and Housing Corporation (CMHC ) programs and child care programs. The total will grow significantly over the next two to three years.

In 2010-2011 the system design will be completed. This new, custom built financial management tool will be incorporated with the department's Integrated Case Management (ICM) and SAP systems to provide market leading systems to support current and future needs.

# 5.0 Performance Measure

The corporation provides financing assistance to qualified agencies to purchase, lease or upgrade housing/shelter related facilities. This involves giving the agencies preferred interest rates for longer term periods than would be provided by private lenders. This is particularly important to Community Services and the Department of Health, since publically subsidized per diem rates include financing costs.

[2]In the 2009-2010 this project was called the Mortgage and Loans Portfolio Project. The name has been changed to capture the full scope of the development work.

| Core Business Area: Provide mortgage guarantees and/or loans to qualifying housing projects | | | | | |
|---|---|---|---|---|---|
| **Outcome** | **Measure** | **Data** | **Target 2010-11** | **Target 2011-12** | **Strategic Action** |
| Strong public and social housing infrastructure supported by options in managing capital financing for government sponsored housing. | The amount of financial assistance and/or mortgage guarantees provided to social housing projects. | 2009-2010: $180M<br>2008-2009: $59M<br><br>2007-2008: 9 projects at a total borrowing of $67M<br><br>2006-2007: 2 projects at a total borrowing of $9 million<br><br>2005-2006 (BY): 10 projects at a total borrowing of $12.87 million | $260M | $62M | Financial assistance to support public and social housing will total $561M by the end of fiscal 2011-2012.<br><br>Actions include:<br>- Continued support of the Department of Health's Long Term Care Bed Renewal initiative<br>- Funding to support infrastructure renewal/expansion in the Early Learning & Child Care sector<br>- Capital investments in the Services for Persons with Disabilities Sector.<br><br>The corporation will also continue to foster and pursue partnering opportunities with other departments and government agencies. |
| | The amount invested/committed through the Housing Stimulus Initiative | 2009-2010: $ 38.6 M | $47.5 M | $16M | Investments/commitments by the end of fiscal 2011-2012 will total approximately $102M ( excluding investments in the Residential Rehabilitation Program). These investments will support infrastructure renewal/greening in public housing, development of seniors and disabled housing, as well as a number of initiatives to strengthen the co-operative housing sector. |

# 6.0 Budget

The following two tables provide information on the Corporation's funding and expenditures.

| Nova Scotia Housing Development Corporation Funding | | | |
|---|---|---|---|
| **Funding Source** | **2009-10 Estimate** | **2009-10 Forecast** | **2010-11 Estimate** |
| **Revenue from Government Sources** | **147,200** | **136,100** | **144,900** |
| **Revenue from Rents** | **52,200** | **52,700** | **53,200** |
| **Interest, Revenue from Land Sales and Other Revenue** | **15,500** | **9,500** | **22,700** |
| **Total Funding** | **214,900** | **198,300** | **220,800** |

| Nova Scotia Housing Development Corporation Expenditures | | | |
|---|---|---|---|
| **Expenditure Source** | **2009-10 Estimate** | **2009-10 Forecast** | **2010-11 Estimate** |
| **Interest on Long Term Debt** | **38,500** | **31,500** | **43,400** |
| **Property Management and Operation** | **44,900** | **30,900** | **31,500** |
| **Maintenance and Capital Improvements** | **32,200** | **30,500** | **30,200** |
| **Housing Renovation and Affordable Housing** | **19,800** | **15,500** | **15,700** |
| **Transfer to Housing Services** | **16,600** | **32,500** | **32,500** |
| **Amortization of Investment in Social Housing** | **12,900** | **13,400** | **14,000** |
| **NS Housing Stimulus Plan *** | **44,500** | **38,600** | **47,500** |
| **Administration Fee and Cost of Land Sold** | **5,500** | **5,400** | **6,000** |
| **Total Expenditures** | **214,900** | **198,300** | **220,800** |